



## **Business Vulnerability Index**

**Isle of Wight**

November 2021

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## Key findings:

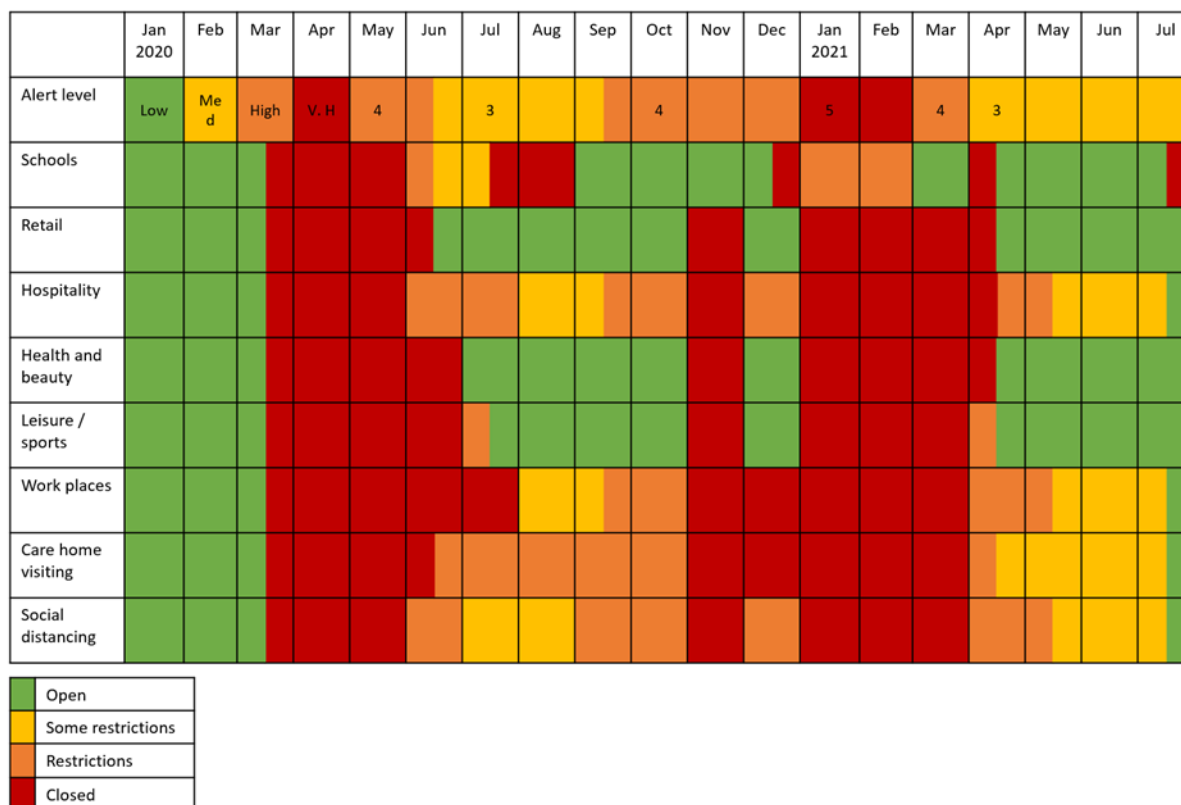
- Businesses on the Isle of Wight were impacted more severely by the COVID-19 pandemic than the average across the South East based on claimant and furlough uptake rates. The proportion of working aged adults claiming out of work benefits increased by 3.71 per cent between February 2020 and March 2021 on the Isle of Wight compared to an increase of 3.6 per cent in England. 20.5 per cent of the eligible jobs on the Isle of Wight were put on furlough in February 2021, which was higher than the England and South East average, 15.62 per cent and 15.78 per cent respectively.
- The younger aged working population were impacted more during the COVID-19 pandemic with the claimant rate of the younger aged working population increasing by 5.14 per cent between February 2020 and March 2021, with the older aged working population only increasing by 2.43 per cent during this time.
- Businesses on the Isle of Wight were more vulnerable to the impacts of COVID-19 for three indicators: Coronavirus Job Retention Scheme (furlough), industry sector, and unemployment. They were less vulnerable for consumer mobility and size of business indicators than the Hampshire average.
- The effects of the two lockdowns, in the summer of 2020 and early 2021, were similar in magnitude as measured by furlough uptake and claimant rate. Both indicators peaked during February in the early 2021 lockdown.
- People who lived in urban areas were more vulnerable to the impacts of the COVID-19 pandemic, with urban areas typically experiencing a higher increase in claimant rate compared to rural areas.
- Businesses operating in the accommodation and food service sector are likely to quickly rebound as restrictions ease, with businesses in this sector experiencing a turnover level in August 2020 similar to what was experienced in February 2020. These businesses are also likely to quickly rebound as the Isle of Wight is likely to be a popular destination for holiday trips, with 608,000 holiday trips taken to the Isle of Wight between 2017 to 2019.
- Self-employed construction businesses on the Isle of Wight were particularly vulnerable, with these businesses being likely to account for a large proportion of the first three Self-Employment Income Support Scheme grant claims across the Isle of Wight.
- If any future lockdown restrictions are put in place, businesses which operate on the identified vulnerable sectors will be significantly negatively impacted.

## Introduction

### Social distancing restrictions

The first lockdown started on 23 March 2020 with the first stage of easing the lockdown coming on 13 May 2020. Local alert levels were introduced on 14 October 2020 before a second lockdown came in on 5 November 2020. Later, Tiers were introduced on 2 December 2020, with a Tier 4 being introduced on 20 December 2020. The third national lockdown came into effect from 5 January 2021, with the first stage of easing this lockdown starting on 29 March 2021 <sup>1</sup>.

Figure 1: Timeline of key policy decisions



### Business support schemes

The nature and size of a business were found to be a factor in determining how vulnerable a business would be to the impacts of the COVID-19 pandemic, with the impacts of the COVID-19 pandemic disproportionately affecting physical in-store and small businesses <sup>2</sup>. The imposed lockdown restrictions limited trade for physical stores, with in-store retailing falling by 88 per cent and 63 per cent compared to the February 2020 baseline during the summer 2020 and November 2020 national lockdowns respectively, while online retailing increased by 27 per cent and 107 per cent during the respective lockdown periods <sup>3</sup>. Businesses responded by increasing

<sup>1</sup> The Health Foundation (2020). Available at: [COVID-19 policy tracker 2020 | The Health Foundation](#)

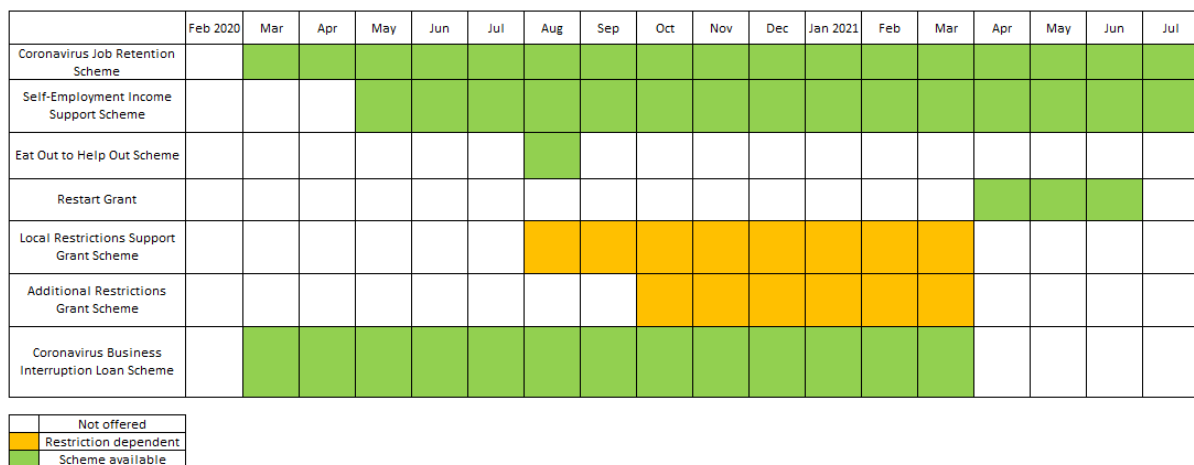
<sup>2</sup> OECD (2020) Available at: [COVID-19 and the retail sector: impact and policy responses \(oecd.org\)](#)

<sup>3</sup> ONS (2021) Available at: [Impact of the coronavirus \(COVID-19\) pandemic on retail sales in 2020 - Office for National Statistics \(ons.gov.uk\)](#)

their ability to facilitate online shopping through click and collect and home delivery services.

With the introduction of national and local lockdown restrictions the government set out several schemes to support the loss of income businesses experienced. The two schemes first introduced and most widely used were the Coronavirus Job Retention Scheme (CJRS) and the Self-Employment Income Support Scheme (SEISS). The CJRS paid 80 per cent of a furloughed employee’s wage (up to £2,500 per month) from 1 March 2020 to 30 June 2021, with a total of 11.6 million jobs across the UK being supported by this scheme at various times between 1 March 2020 and 14 June 2021 <sup>45</sup>. The SEISS offered five rounds of grants between 13 May 2020 and 31 September 2021, with a total of £25.2 billion paid out across the first four grants <sup>6</sup>. The Eat Out to Help Out Scheme was introduced to support the reopening of businesses and help protect the hospitality sector by encouraging consumers to eat out on Monday to Wednesday between 3 to 31 August 2021. £849 million was claimed through this scheme, with the scheme boosting demand within participating outlets <sup>7</sup>. The Restart Grant, introduced between 1 April 2021 to 30 June 2021, supported the safe reopening of businesses as the restrictions of the early 2021 lockdown were lifted. The Restart Grant allowed eligible businesses a one-off grant of up to £6,000 (for businesses in non-essential retail sector) and up to £18,000 (for businesses in the hospitality, accommodation, leisure, personal care and gym sectors) <sup>8</sup>.

Figure 2: Timeline of business support schemes



The impacts of the COVID-19 pandemic on employments on the Isle of Wight were worse than the South East average but similar to the England average. The

<sup>4</sup> GOV.UK (2021). Available at: [Coronavirus Job Retention Scheme statistics: 1 July 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/coronavirus-job-retention-scheme-statistics-1-july-2021)

<sup>5</sup> GOV.UK (2021). Available at: [Claim for wages through the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/claim-for-wages-through-the-coronavirus-job-retention-scheme)

<sup>6</sup> GOV.UK (2021). Available at: [Self-Employment Income Support Scheme statistics: July 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/self-employment-income-support-scheme-statistics-july-2021)

<sup>7</sup> Parliament (2020) Available at: [Eat Out to Help Out Scheme - House of Commons Library \(parliament.uk\)](https://www.parliament.uk/eat-out-to-help-out-scheme)

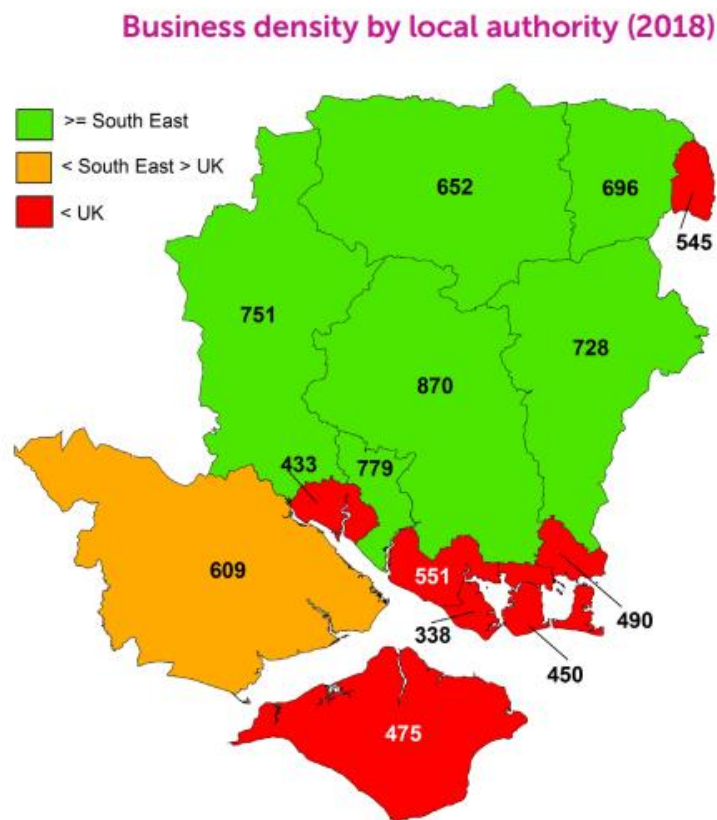
<sup>8</sup> GOV.UK (2021) Available at: [\[Withdrawn\] Check if you're eligible for a coronavirus Restart Grant - GOV.UK \(www.gov.uk\)](https://www.gov.uk/withdrawn-check-if-youre-eligible-for-a-coronavirus-restart-grant)

proportion of working aged adults claiming out of work benefits increased to 6.94 per cent in March 2021 compared 6.58 per cent and 5.37 per cent in England and the South East, respectively. The number of adults claiming out of work benefits doubled from 2,575 in February 2020 to 5,525 in March 2021. The COVID-19 pandemic also had a significant impact on businesses with 20.5 per cent of eligible jobs put on furlough in February 2021, which was higher than the England and South East average, 15.62 per cent and 15.78 per cent respectively.

### Isle of Wight Area

The Isle of Wight is home to 4,545 business enterprises, with 1,165 enterprises operating in the construction and accommodation & food service sectors<sup>9</sup>. The Isle of Wight covers 147 square miles and has a density of 30.9 business enterprises per square mile, with 50,435 total employments coming from these business enterprises<sup>10</sup>. The Isle of Wight has a large variation in the density of business enterprises and jobs, with 66 per cent of business enterprises and 78 per cent of jobs operating in urban areas.

Figure 3: Business density per 10,000 adult population and local authority<sup>11</sup>



Source: ONS (2020)

<sup>9</sup> ONS (2020) Available at: [UK business: activity, size and location - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/business/business-activity-and-size/uk-business-activity-size-and-location)

<sup>10</sup> NOMIS (2019) Available at: [Business Register and Employment Survey : open access - Nomis - Official Labour Market Statistics \(nomisweb.co.uk\)](https://www.nomisweb.co.uk/business-register-and-employment-survey)

<sup>11</sup> HCC (2020). Available at: <https://documents.hants.gov.uk/hampshire2050/H2050-StateofEconomyReport.pdf>

## Business vulnerability factors

A review of the evidence indicates that a range of factors contribute to determining a business's vulnerability to the impacts of COVID-19. The identified factors included the industry the business was operating in, the mobility of consumers, the location and type of business, and the size of the business.

This Business Vulnerability Index aims to assess the variations in how vulnerable businesses are to the impacts of the COVID-19 pandemic restrictions across the Isle of Wight. This tool provides an assessment of the relative impacts during the COVID-19 pandemic. The Index is constructed from a range of indicators. These aim to capture the employee and business aspects of the impacts arising from the COVID-19 pandemic.

Due to the lack of available data on business income and sales over the COVID-19 pandemic, data about the Coronavirus Job Retention Scheme (Furlough), Self-Employment Income Support Scheme (SEISS) and unemployment claimants were used as proxy indicators to measure how businesses income and sales were impacted by the COVID-19 pandemic restrictions. No indicator was used for the nature of a business, as the currently available data does not capture this business characteristic.

This tool uses various datasets and sources to determine the overall vulnerability of Isle of Wight and highlight variations across the county:

Factors	Indicator (Source)
Furlough	Coronavirus Job Retention Scheme (CJRS, HMRC)
Mobility of consumers	Retail and recreation movements (Google Mobility data)
Self-Employment support	Self-Employment Income Support Scheme (SEISS, HMRC)
Industry sector	Business Register and Employment Survey (NOMIS)
Size of business	Business Register and Employment Survey (NOMIS)
Unemployment	Claimant Count (NOMIS)

## Business Vulnerability Index

For each indicator, excluding mobility of consumers, every district was compared to the South East average and the colours of the tartan rug were calculated based on confidence intervals for whether the value of the indicator was less, similar, or more vulnerable compared to the South East average. The mobility of consumers indicator was unable to be compared due to no data being available for the South East.

Figure 4: Isle of Wight Tartan Rug

	Coronavirus Job Retention Scheme (Furlough) - Average monthly uptake (%)	Mobility of consumers	Self-Employment Income Support Scheme (Average takeup rate by grant)	Vulnerable Industry Sector (Rate per 1,000 business)	Vulnerable Business Size (Rate per 1,000 business)	Claimant Count Rate Increase as a proportion of residents aged 16-64
	July 2020 - January 2021	16th Mar 2020 - 5th Feb 2021	Grants 1 to 3	2020	2020	Feb 2020 - Feb 2021
South East	12.15%	N/A	68.70%	110.31	902.50	3.22%
Hampshire	11.24%	-44.03975535	67.55%	98.56	893.27	2.72%
Isle of Wight	13.95%	-35.82	68.22%	205.72	863.59	3.75%

■ Less vulnerable compared to the South East average  
■ Similar vulnerability compared to the South East average  
■ More vulnerable compared to South East average

Businesses on the Isle of Wight were found to be more likely to be vulnerable to the impacts of the COVID-19 pandemic compared to Hampshire. The Isle of Wight was found to be more likely to be vulnerable compared to the South East and Hampshire for three indicators, Coronavirus Job Retention Scheme (Furlough), industry sector and the claimant count rate. The Isle of Wight had a higher furlough uptake rate, claimant rate increase and rate of businesses operating in the identified vulnerable sectors than all districts in Hampshire. Businesses on the Isle of Wight were less vulnerable compared to the Hampshire average for the mobility of consumers and size of business indicators. The following chapters will individually explore the indicators used to develop the business vulnerability index in more detail:

### Coronavirus Job Retention Scheme (Furlough)

The Coronavirus Job Retention Scheme was started in March 2020 which aimed to prevent mass redundancies, with the scheme paying 80 per cent of a furloughed employee's wage (up to £2,500 per month) from 1 March 2020 to 30 June 2021. The CJRS ended on the 30 September 2021<sup>12</sup>. As of 15 March 2021, 22,200 jobs in Hampshire have been put on furlough since the start of the scheme<sup>13</sup>. There is no data on the monthly uptake in the first months of the scheme between March and June 2020.

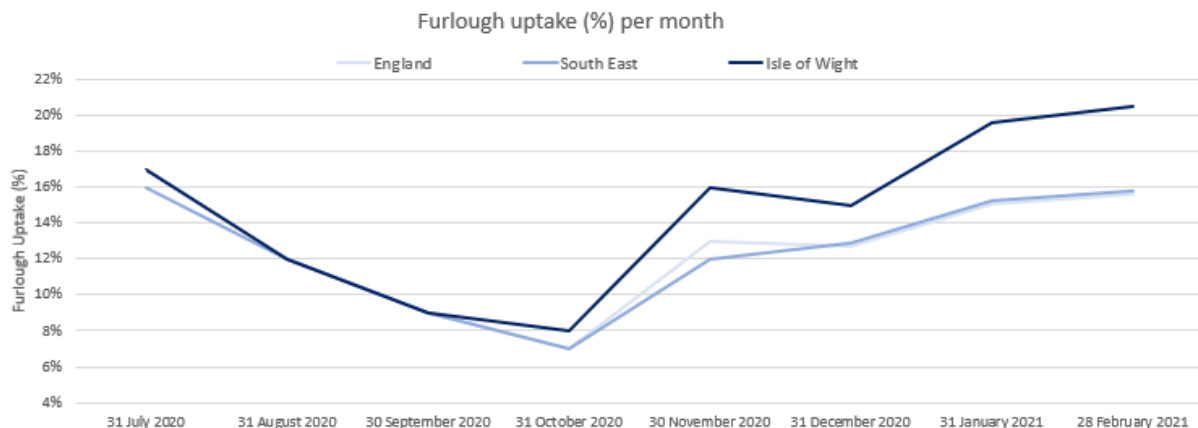
Between July 2020 and February 2021, Isle of Wight experienced an average furlough uptake rate of 14.6 per cent per month, which is higher than the England average of 12.7 per cent. Isle of Wight had 33.8 per cent of the total employments furloughed between March 2020 and June 2020, compared to the England average of 29.7 per cent.

<sup>12</sup> (GOV.UK, 2021). Available at: [Claim for wages through the Coronavirus Job Retention Scheme - GOV.UK \(www.gov.uk\)](https://www.gov.uk/claim-for-wages-through-the-coronavirus-job-retention-scheme)

<sup>13</sup> (GOV.UK, 2021) Available at: [\[ARCHIVED CONTENT\] Coronavirus Job Retention Scheme statistics: March 2021 - GOV.UK \(nationalarchives.gov.uk\)](https://nationalarchives.gov.uk/ARCHIVED_CONTENT/Coronavirus-Job-Retention-Scheme-statistics-March-2021)



Figure 5: Furlough uptake rate per month, Isle of Wight compared with South East and England, July 2020 to February 2021.



Furlough uptake varied between July 2020 and February 2021, with increase in furlough uptake coinciding with lockdown periods. The peak of furlough occurred in February 2021 with 10,750 employments on furlough on the Isle of Wight, equating to an uptake rate of 20.5 per cent. The furlough uptake rate was similar at the end of the summer 2020 lockdown as during the early 2021 lockdown restrictions.

Across the period of the pandemic, Isle of Wight experienced higher furlough uptake than Hampshire, with furlough uptake decreasing each month between July and October 2020 before increasing dramatically in November and January 2021 due to the November 2020 and early 2021 lockdowns. The number of furlough claims on the Isle of Wight increased by 6,300 between October 2020 and February 2021, rising from 4,200 to 10,500. Unfortunately, the uptake rate of furlough before July is unknown with the data only offering a cumulative uptake rate between the start of the scheme, in March 2020, and 30 June 2020. The Isle of Wight had an uptake rate of 34 per cent from jobs which were eligible during this period.

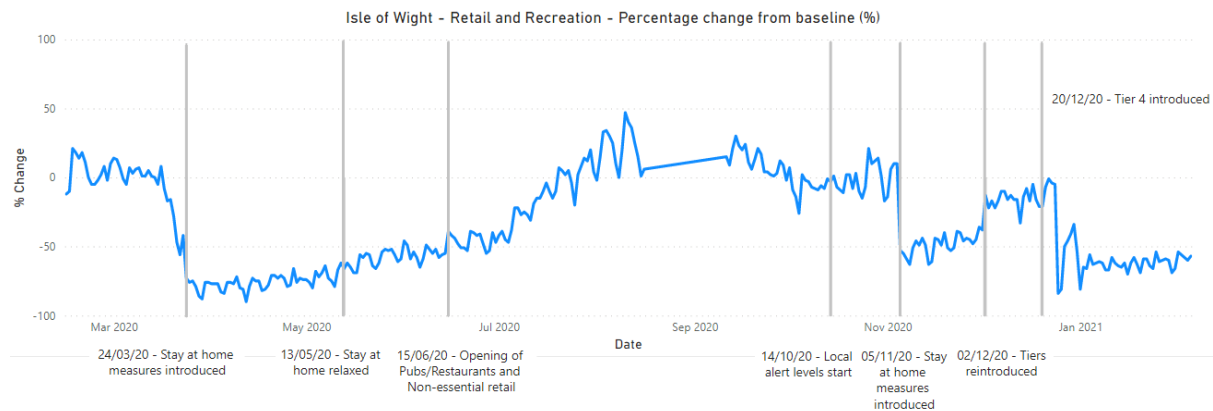
Based on the trends seen during the easing of the Summer 2020 lockdown, it is expected that as the early 2021 lockdown restrictions are lifted and businesses can increase operations and reopen that furlough uptake will decrease across the IOW. As of May 2021, 30 per cent of businesses still currently have 1 or more employee on furlough. When the furlough scheme ends, businesses which depend on the scheme could be severely disrupted. Businesses operating in the hotel and similar accommodation, passenger air transport and travel agency and tour operator activities sectors are still heavily reliant on furlough with all sectors having over 50 per cent of employees on furlough in May 2021. There are 115 business enterprises which operate in these sectors on the IOW, with 100 of these operating in the hotels and similar accommodation sector.

The older working population are likely to be affected more by the end of the CJRS, as the older working population are less likely to re-enter work and are likely to have little recent experience in searching for work <sup>14</sup>.

### Mobility of consumers

The behaviour and mobility of consumers is a key factor in the scale at which in-store retailing occurs. Due to the imposed national restrictions, mobility for retail and recreation reasons fell to 70 per cent below pre-covid levels between March and May 2020 <sup>15</sup>. This reduction in in-store retailing led to online retailing increasing across all sectors with 30.8 per cent of all retailing occurring online in May 2020 compared to 19.6 per cent in February 2020 <sup>16</sup>. The Google Mobility data used is based on population movements within an area and not based on residency, therefore areas which would normally attract lots of movement, such as shopping centres and tourist attractions, would experience a big reduction in movement.

Figure 6: Isle of Wight population movement for retail and recreation reasons, per cent of January and February 2020 baseline, 16 March 2020 to 5 February 2021



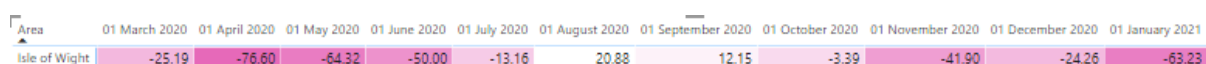
Population movements for retail and recreation reasons varied throughout pandemic period with reduced movement occurring during these restriction periods. Population movements peaked during the easing of the summer 2020 restrictions in August and September 2020, with the level of movements during this period being higher than the January and February 2020 baseline. A flat line can be seen between 17 August and 10 September, as no data were reported between these dates. There was increased mobility of retail and recreations reasons, similar to the pre-pandemic levels, in the 4 days leading up to Christmas day. This was followed by a spike in mobility in the 4 days between the 27 and 31 December.

<sup>14</sup> Centre for Ageing Better (2021). Available at: [End of furlough likely to be particularly tough for older workers | Centre for Ageing Better \(ageing-better.org.uk\)](https://www.ageing-better.org.uk/)

<sup>15</sup> ONS (2021) Available at: [Coronavirus: how people and businesses have adapted to lockdowns - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/)

<sup>16</sup> ONS (2020) Available at: [Retail sales, Great Britain - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/)

Figure 7: Population Movement for retail and recreation by month, compared to January and February 2020 baseline, March 2020 to January 2021



The increased population movement for retail and recreation reasons coincides with the easing of the summer 2020 lockdown restrictions. The months of August, September and October all show increased visits and time spent at retail and recreation locations. Population movement in August and September 2020 were above levels seen in the January and February 2020 baseline.

It is expected that there will be a gradual recovery in domestic tourism as restrictions are eased through 2021. This gradual recovery is expected to be similar to the recovery seen during August and September 2020 but will still remain below the 2019 levels.<sup>17</sup> The South East saw hotel occupancy rates of 50 per cent and 48 per cent in August and September 2020, respectively, which rose from the rates of 23 per cent during the summer 2020 lockdown. The South East also saw an increase of room occupancy rates in the summer of 2021 after the easing of the lockdown restrictions with 63 per cent of rooms being occupied in June 2021, an increase of 39 per cent compared to June 2020 and an increase of 13 per cent from May 2021<sup>18</sup>.

### Self-Employment Income Support Scheme

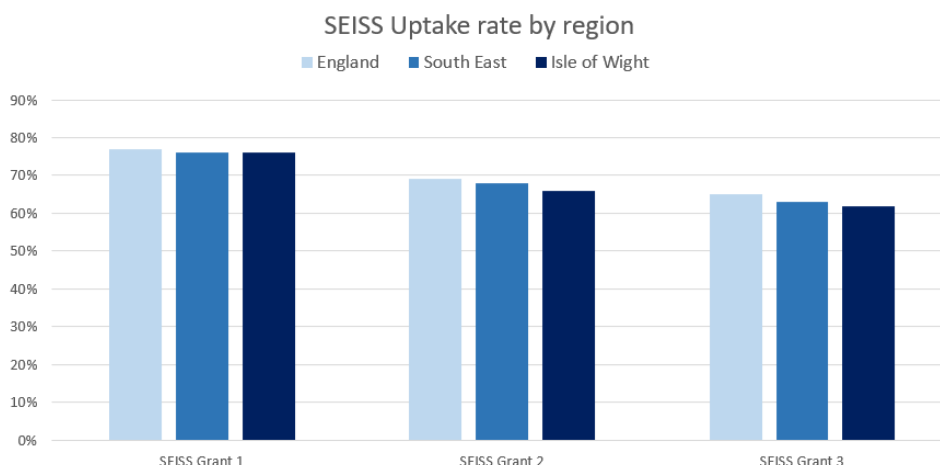
The Self-Employment Income Support Scheme (SEISS) was started in May 2020 to support the self-employed. Throughout the period of May 2020 to the end of the scheme in September 2021, there were 5 rounds of grants. The first round of grants paid 80 per cent of someone’s average monthly trading profit, up to £7,500. Those eligible for the second grant were paid 70 per cent of their monthly trading profit, up to £6,570. Due to the introduction of the November lockdown restrictions, the third round of grants went back to paying 80 per cent of someone’s average monthly trading profit, up to £7,500<sup>19</sup>. As of July 2021, uptake data for the SEISS is available only for the first three round of grants.

<sup>17</sup> VisitBritain (2020). Available at: [2021 tourism forecast | VisitBritain](#)

<sup>18</sup> VisitBritain (2021). Available at: [Accommodation Occupancy: Latest results | VisitBritain](#)

<sup>19</sup> GOV.UK (2021). Available at: [Coronavirus: Self-Employment Income Support Scheme - House of Commons Library \(parliament.uk\)](#)

Figure 8: SEISS uptake rate per grant, Isle of Wight compared with South East and England, Grants 1 -3



Across all three grant periods, Isle of Wight had a lower uptake rate of the SEISS than the England and South East average. The first grant period, which covers between 13 May and 13 July 2020, had the highest uptake rate of the three grant periods across all three regions. Across the Isle of Wight, there were 17,600 claims across the three grants periods with 6,500 of these coming in the first period. The third grant had the lowest uptake rate and is the most recent grant of the three grants, covering between 29 November 2020 to 29 January 2021. Two further grants have been announced with Grant 4 covering April 2021 to 1 June 2021 and Grant 5 covering July 2021 to 30 September 2021.

As of August 2021, the SEISS is scheduled to finish on 30 September 2021, with this date being the last day to claim the fifth grant. The self-employed workers who are claiming Universal Credit could have a reduction in benefits payments, due to the government introducing the minimum income floor from 1 August 2021 <sup>20</sup>.

### Industry Sector

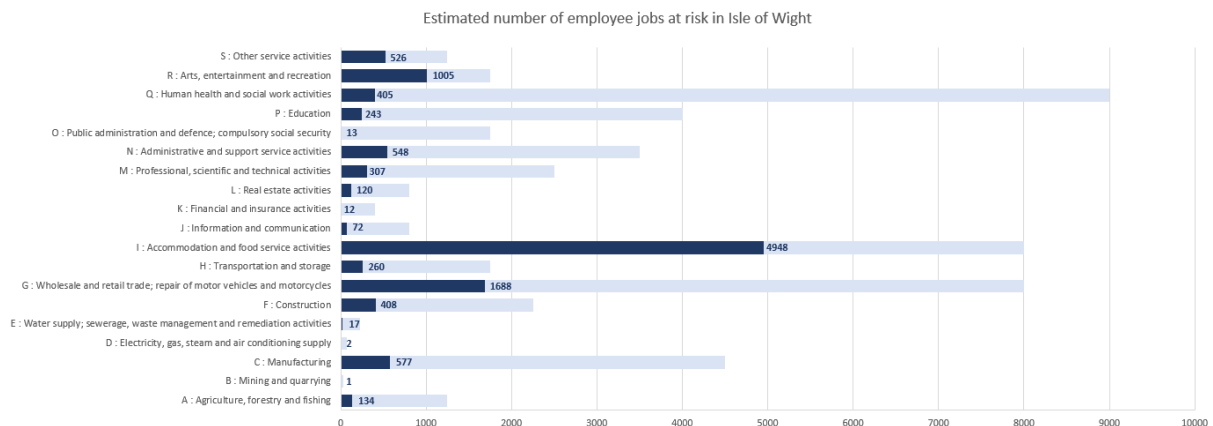
Based on the evidence, a key factor in determining the vulnerability of a business to the impacts of COVID-19 pandemic was the sector that the business operates in. The restrictions imposed led to some businesses being unable to open at any capacity or only operate at a limited capacity. The hardest hit sectors were the accommodation and food sector and the arts, entertainment, and recreation sector, as the Gross Value Added (GVA) output fell by 91 per cent in April and 89 per cent in May 2020 and by 47 per cent in April and 51 per cent in May 2020 compared to February 2020 in each sector respectively <sup>21</sup>. The industry sectors identified to be most vulnerable to the impacts of the lockdown restrictions were accommodation and food service activities, arts, entertainment and recreation activities and other service activities. These sectors were the three sectors with the highest take-up rate

<sup>20</sup> GOV.UK (2021). Available at: [Universal Credit for the self-employed - GOV.UK \(www.gov.uk\)](https://www.gov.uk/universal-credit-for-the-self-employed)

<sup>21</sup> ONS (2021) Available at: [Monthly gross domestic product: time series - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/monthly-gross-domestic-product-time-series)

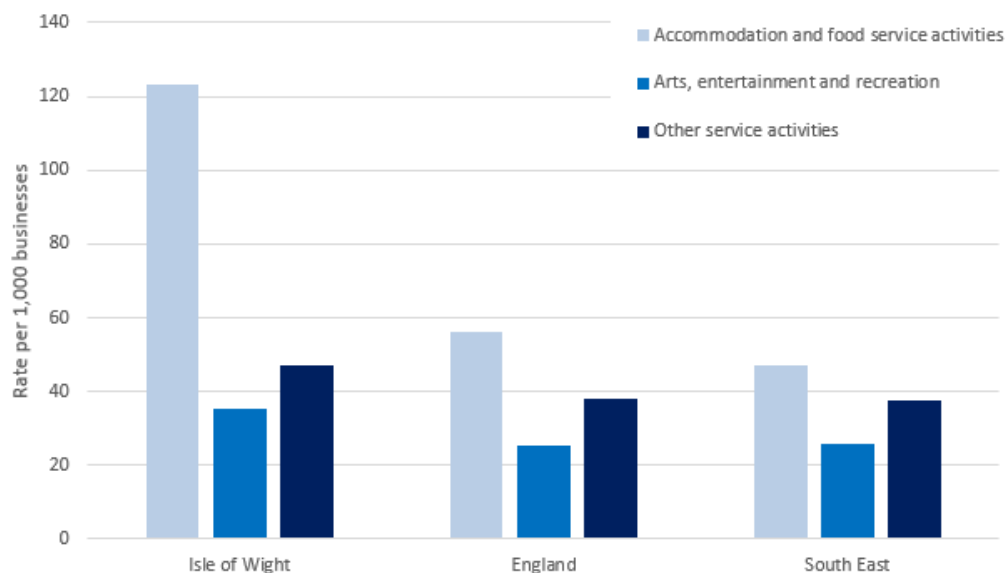
of furloughed employments throughout the pandemic and the three sectors with the biggest decline in GVA between February 2020 and February 2021 <sup>22</sup>.

Figure 9: Estimated number of employee jobs on furlough on the Isle of Wight, January 2021



In January 2021, using national furlough by sector data, it is estimated that 11,286 jobs located on the Isle of Wight were furloughed, with around 6,636 jobs coming from the accommodation and food services and wholesale and retail; repair of motor vehicles sectors.

Figure 10: Businesses operating in the vulnerable sectors per 1,000 businesses by region



The Isle of Wight had a higher rate of businesses operating in the accommodation and food services activities, arts, entertainment and recreation and other service activities sectors. The Isle of Wight had 205.7 per 1,000 businesses operating across the three vulnerable sectors, compared to 119.5 and 110.3 in England and the South East respectively. The Isle of Wight had more than double the England average rate

<sup>22</sup> ONS (2021) Available at: [Monthly gross domestic product by gross value added - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/monthly-gross-domestic-product-by-gross-value-added)

for businesses operating in the accommodation and food service activities sector, with 123.2 per 1,000 businesses on the Isle of Wight operating in this sector compared to 56.1 per 1,000 businesses in England.

Based on data from previous lockdown periods, it is expected that businesses which operate in food and beverage serving activities sector will be the quickest sector to rebound as the restrictions are eased. Businesses in this sector had a turnover level in August 2020 just below what was experienced in February 2020. The other vulnerable sectors are expected to recover more gradually as the restrictions are eased <sup>23</sup>.

It is expected that any future lockdown restrictions will continue to significantly impact the identified vulnerable businesses, as businesses in the vulnerable sectors had a large proportion of employees on furlough leave and were more responsive to changes in restrictions. Within the vulnerable sectors, the sports and recreational activities sector and accommodation and travel sector were the most responsive to changes in the lockdown restrictions <sup>23</sup>.

### **Size of business**

Businesses with under 10 employees are more vulnerable to the impacts of the COVID-10 pandemic restrictions, as businesses with 10 or less employees were more likely to pause or permanently cease trading during the COVID-19 lockdown restrictions <sup>24</sup>. 17 per cent of micro businesses (9 or fewer employees) had to pause trading or temporarily close in October 2020 compared to 6.1 per cent of businesses who have 250 or more employees <sup>25</sup>.

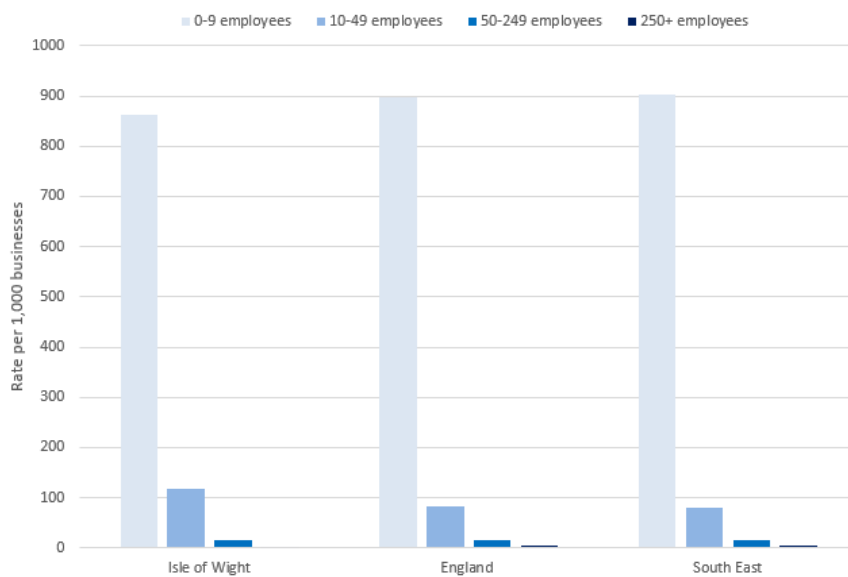
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<sup>23</sup> ONS, 2021. Available at: [Coronavirus and the impact on the UK travel and tourism industry - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/news-and-analysis/coronavirus/coronavirus-and-the-impact-on-the-uk-travel-and-tourism-industry)

<sup>24</sup> ONS (2021) Available at: [Business insights and impact on the UK economy - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/news-and-analysis/coronavirus/business-insights-and-impact-on-the-uk-economy)

<sup>25</sup> ONS (2020) Available at: [The impact of the coronavirus so far: the industries that struggled or recovered - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/news-and-analysis/coronavirus/the-impact-of-the-coronavirus-so-far-the-industries-that-struggled-or-recovered)

Figure 11: Business size per 1,000 businesses by region

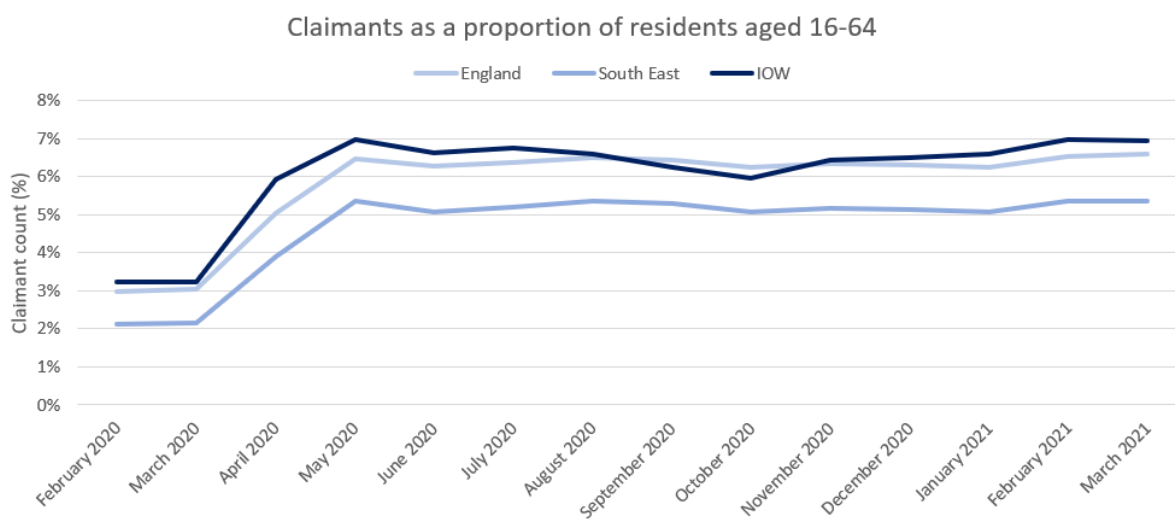


Isle of Wight had a much lower rate of smaller sized businesses compared to the England and South East average. Isle of Wight had a higher rate of businesses with 10-49 employees and a similar rate of businesses with 50-249 employees compared to the England and South East average. Isle of Wight had also had a lower rate of businesses with 250+ employees.

### Unemployment

The number of claims for out of work benefits between February 2020 and March 2021 increased by 3.7 per cent on the IOW compared to an increase of 3.6 per cent in England. Before the summer 2020 lockdown, the Isle of Wight was 0.2 per cent higher than the England average in terms of claimants as a proportion of residents aged 16-64, this difference increased to 0.37 per cent in March 2021.

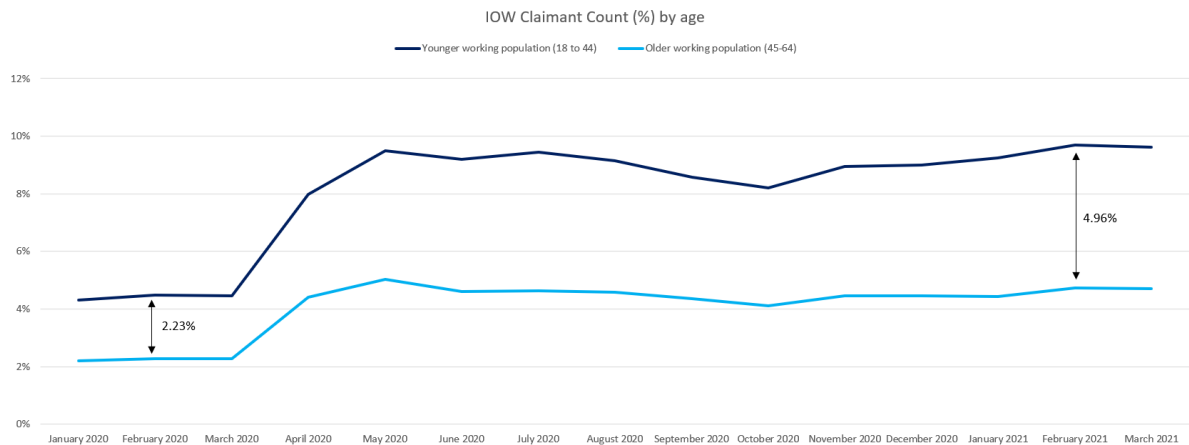
Figure 12: Claimant Count Rate as a proportion of the population aged 16-64, Isle of Wight compared with South East and England, January 2020 to March 2021.



Source: NOMIS, ONS

Unemployment on the IOW experienced an increase of 3.71 per cent between February 2020 and March 2021 compared to an increase of 3.6 per cent in England. The number of claims increased by 2,950 during this time. Unemployment was a similar level during the Summer 2020 lockdown as the early 2021 lockdown restrictions. Unemployment peaked in February 2021, with 6.98 per cent of the working aged population unemployed.

Figure 13: Isle of Wight claimant count rate per month as a proportion of the younger and older working age population, January 2020 to March 2021



Between February 2020 and March 2021, the claimant rate increased by 5.14 per cent within the younger aged working population and 2.43 per cent within the older aged working population. The difference in claimant rate before the pandemic between the two working age populations was 2.23 per cent and increased throughout the pandemic to peak at 4.96 per cent in February 2021. The younger aged working population were particularly impacted during the summer 2020 lockdown with the claimant rate increasing by 5.01 per cent between February 2020 and May 2020. The peak in the difference between the claimant rate between the younger and old working aged populations occurred in February 2021 with a rate difference of 4.96 per cent.



## Small Scale Analysis – Claimant Count

Figure 14: Number of claimants by LSOA

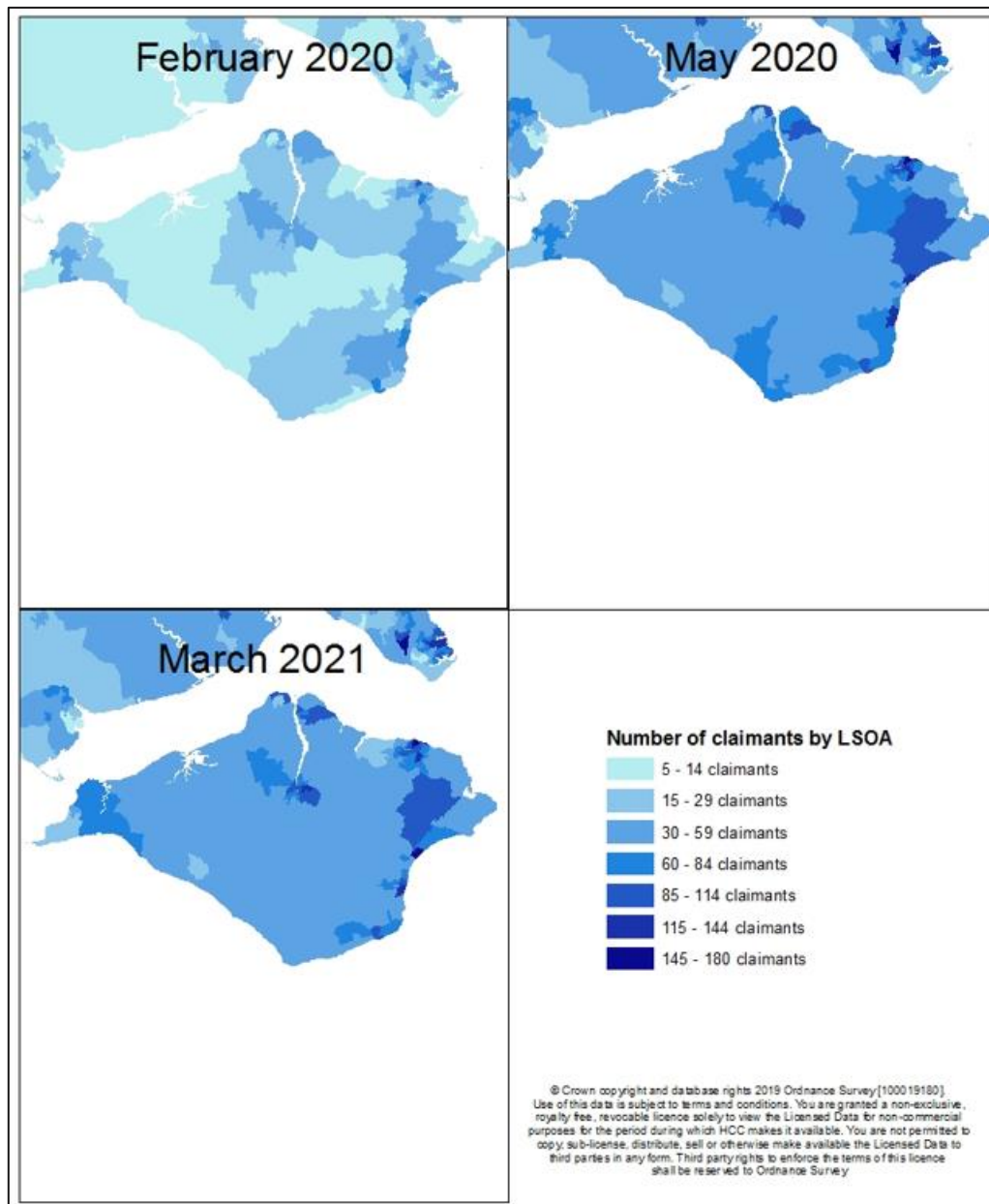
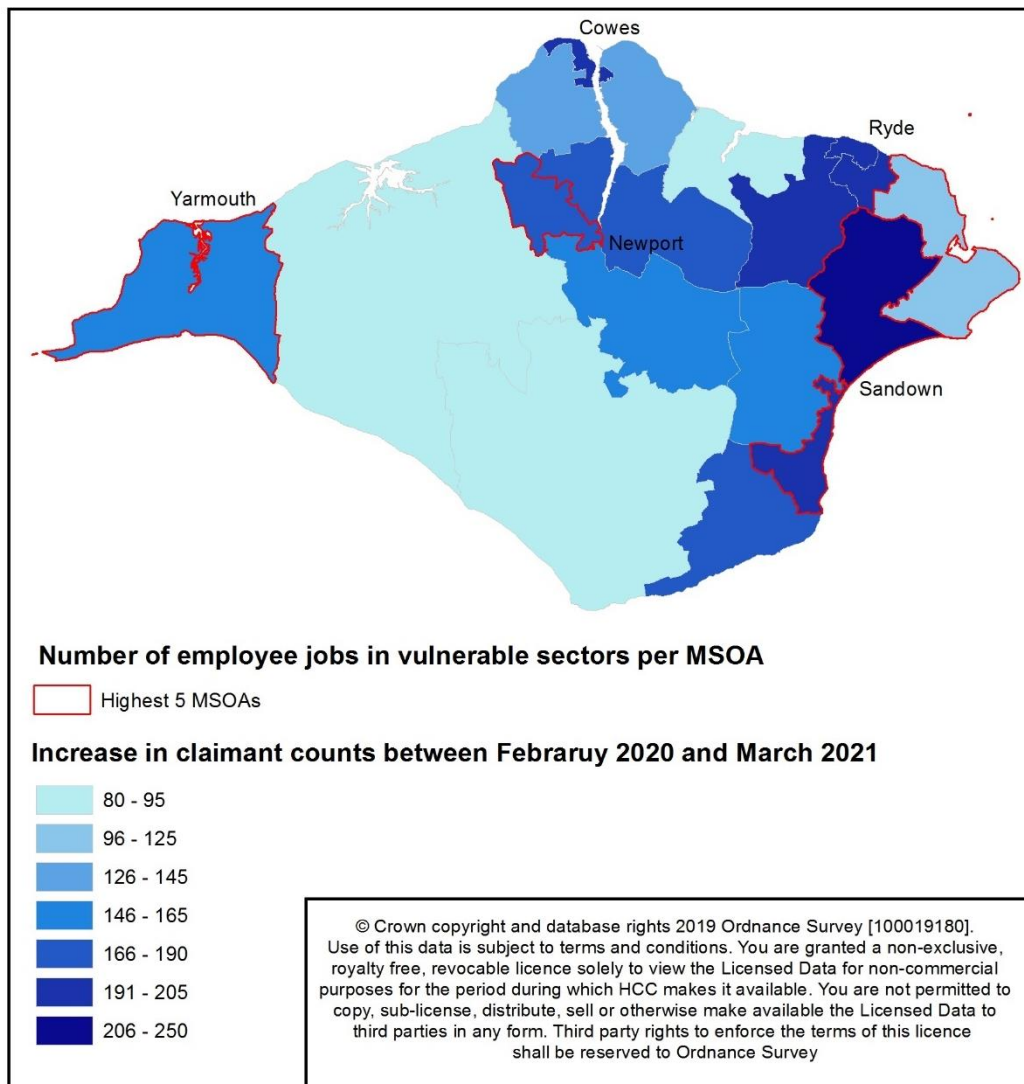


Figure 14 shows how the number of people claiming out of work benefits changed during the COVID pandemic. All LSOAs experienced an increase in the number of people claiming out of work benefits between February 2020 and May 2020, with a total increase of 2,970 people claiming out of work benefits across the Isle of Wight. Between May 2020 and March 2021, areas experienced both increases and decreases in the number of people out of work benefits, with 36 per cent of LSOAs seeing a decrease in the number of people claiming out of work benefits, 36 per cent seeing an increase and no change being seen in 28 per cent of LSOAs.

There was a decrease in the number of claimants between May 2020 and March 2021 despite two additional lockdown restrictions period occurring in this time, with 625 less people claiming out of work benefits in March 2021 compared to May 2020.

This suggests that despite the November 2020 and early 2021 lockdowns restrictions some businesses were able to continue to employ new staff.

Figure 15: Map showing the increase in the number of claimants between February 2020 and March 2021 and the number of employee jobs in vulnerable sectors per MSOA.



A slight correlation was found between where the businesses which operate in the identified vulnerable sectors are located and the areas which experienced the greatest increase of people claiming out of work benefits between February 2020 and March 2021. This correlation was typically seen on the east coast around the towns of Ryde, Sandown and Shanklin.

Table 1: The five MSOAs who experienced the highest increase of claimant counts between February 2020 and March 2021.

<b>MSOA Name</b>		<b>Claimant Count Increase</b>
Isle of Wight 014	Sandown & Brading	250
Isle of Wight 004	Ryde Central	205
Isle of Wight 007	Ryde South	205
Isle of Wight 016	Shanklin Central & Lake	200
Isle of Wight 006	Ryde West & Havenstreet	195

Table 2: The five MSOAs who experienced the highest increase in claimant count rate between February 2020 and March 2021

<b>MSOA Name</b>		<b>Claimant Count Rate Increase</b>
Isle of Wight 004	Ryde Central	4.87%
Isle of Wight 014	Sandown & Brading	4.65%
Isle of Wight 018	Ventnor & Wroxall	4.47%
Isle of Wight 006	Ryde West & Havenstreet	4.41%
Isle of Wight 016	Shanklin Central & Lake	4.08%

Tables 1 and 2 identifies the five highest MSOAs in terms of the change in claimant count and rate, as a proportion of the population aged between 16 and 64, between February 2020 and March 2021. There are 4 MSOAs which appear within both tables, with these MSOAs lying in the towns of Ryde, Sandown or Shanklin. 5 of the 6 MSOAs that appear in the tables are urban areas. The rural MSOA which experienced the greatest in claimant rate was Isle of Wight 018 (Ventnor & Wroxall).

The MSOAs which experienced the greatest increase in the number of claimants and claimant rate tended to have the highest pre pandemic baseline, with all 6 MSOAs belonging in the top 8 MSOAs which had the highest baseline level. 3 of the 6 MSOAs were in the top 8 most populated MSOAs on the Isle of Wight. MSOAs on the Isle of Wight had a higher average claimant rate increase compared to the average across Hampshire. 8 of the 18 MSOAs across the Isle of Wight were in the top 30 MSOAs across Hampshire and the Isle of Wight, with the lowest Isle of Wight MSOA being ranked 78<sup>th</sup> out of the 186 HIOW MSOAs.

### **Sector Breakdown**

The accommodation and food service sector was the most prominent sector on the Isle of Wight. 12.4 per cent of the businesses and 14.7 per cent of the workforce operate within the sector, with 54.8 per cent of the workforce being part-time. The accommodation and food service sector was one of the hardest hit sectors during the pandemic due to the closure of accommodation and restaurant establishments during the lockdown restrictions. Due to the opening of these establishments being reliant on the easing of lockdown restrictions, the accommodation and food service sector was sensitive to any changes in the lockdown restrictions. This can be seen as the number of furlough claims on the Isle of Wight nearly doubled from the

October levels from 4,200 to 8,100 in November 2020. Many of these claims are expected to have come from the accommodation and food service sector with the number of claims from this sector increasing nationally by 490,000 between October and November 2020, just less than double any of sector during that time <sup>26</sup>.

These businesses are likely to quickly rebound as restrictions ease, with businesses in the accommodation and food service sector experiencing a turnover level in August 2020 just below what was observed in February 2020. These businesses are also likely to quickly rebound as the Isle of Wight is likely to be a popular destination for holiday trips, with 608,000 holiday trips taken to the Isle of Wight between 2017 to 2019 and seaside areas had the highest room occupancy rate out of all the destination types in June 2021 at 80 per cent <sup>27</sup>.

Self-employed construction businesses on the Isle of Wight are likely to be more vulnerable to the impacts of the COVID-19 pandemic, with Isle of Wight having a similar uptake rate of the Self-Employment Income Support Scheme to the South East average. Construction businesses on the Isle of Wight are most likely to account for a large proportion of the SEISS claims, with 11 per cent of businesses on the Isle of Wight operating in the construction sector and 32 per cent of the SEISS claims across the South East coming from the construction sector <sup>28</sup>.

The health sector was the biggest employer on the Isle of Wight with 9,000 jobs coming from the health sector, with 4,500 of these jobs coming from human health activities, including veterinary activities, dental practice activities and private health businesses. The private health care sector was not badly impacted by the COVID restrictions with the private health sector having the lowest rate of businesses ceasing to trade during the summer 2020 lockdown and the 3<sup>rd</sup> lowest during the summer 2020 and early 2021 lockdown periods <sup>29</sup>. The private health care sector had the 3<sup>rd</sup> lowest rate of businesses reporting a decrease in turnover in November 2020 and January 2021<sup>30 31</sup>.

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<sup>26</sup> HMRC (2021). Available at: [Coronavirus Job Retention Scheme statistics: January 2021 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/coronavirus-job-retention-scheme-statistics-january-2021)

<sup>27</sup> VisitBritain (2020). Available at: [Destination-specific research | VisitBritain](https://www.visitbritain.com/research/destination-specific-research)

<sup>28</sup> [HMRC coronavirus \(COVID-19\) statistics - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/statistics/hmrc-coronavirus-covid-19-statistics)

<sup>29</sup> ONS, 2021 ([Coronavirus: how people and businesses have adapted to lockdowns - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/banking-and-finance/articles/coronavirus-how-people-and-businesses-have-adapted-to-lockdowns))

<sup>30</sup> ONS, 2021 ([Business insights and impact on the UK economy - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/banking-and-finance/articles/business-insights-and-impact-on-the-uk-economy))

<sup>31</sup> ONS, 2020([Business insights and impact on the UK economy - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/economy/banking-and-finance/articles/business-insights-and-impact-on-the-uk-economy))